

In the Senate of the United States,

April 2, 1998.

Resolved, That the bill from the House of Representatives (H.R. 3130) entitled “An Act to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements, to amend the Immigration and Nationality Act to make certain aliens determined to be delinquent in the payment of child support inadmissible and ineligible for naturalization, and for other purposes.”, do pass with the following

AMENDMENTS:

Strike out all after the enacting clause and insert:

1 ***SECTION 1. SHORT TITLE.***

2 *This Act may be cited as the “Child Support Perform-*
3 *ance and Incentive Act of 1998”.*

4 ***SEC. 2. TABLE OF CONTENTS.***

5 *The table of contents of this Act is as follows:*

Sec. 1. Short title.

Sec. 2. Table of contents.

TITLE I—CHILD SUPPORT DATA PROCESSING REQUIREMENTS

Sec. 101. Alternative penalty procedure.

Sec. 102. Authority to waive single statewide automated data processing and information retrieval system requirement.

TITLE II—CHILD SUPPORT INCENTIVE SYSTEM

Sec. 201. Incentive payments to States.

TITLE III—ADOPTION PROVISIONS

Sec. 301. More flexible penalty procedure to be applied for failing to permit inter-jurisdictional adoption.

TITLE IV—MISCELLANEOUS

Sec. 401. Elimination of barriers to the effective establishment and enforcement of medical child support.

Sec. 402. Safeguard of new employee information.

Sec. 403. Conforming amendments regarding the collection and use of social security numbers for purposes of child support enforcement.

Sec. 404. Elimination of definition regarding high-volume automated administrative enforcement of child support.

Sec. 405. General accounting office reports.

Sec. 406. Technical corrections.

***TITLE I—CHILD SUPPORT DATA
PROCESSING REQUIREMENTS***

SEC. 101. ALTERNATIVE PENALTY PROCEDURE.

(a) IN GENERAL.—Section 455(a) of the Social Security Act (42 U.S.C. 655(a)) is amended by adding at the end the following:

“(4)(A)(i) If—

“(I) the Secretary determines that a State plan under section 454 would (in the absence of this paragraph) be disapproved for the failure of the State to comply with section 454(24)(A), and that the State has made and is continuing to make a good faith effort to so comply; and

1 “(II) the State has submitted to the Secretary a
2 corrective compliance plan that describes how, by
3 when, and at what cost the State will achieve such
4 compliance, which has been approved by the Sec-
5 retary,
6 then the Secretary shall not disapprove the State plan
7 under section 454, and the Secretary shall reduce the
8 amount otherwise payable to the State under paragraph
9 (1)(A) of this subsection for the fiscal year by the penalty
10 amount.

11 “(ii) The Secretary may only impose a single reduc-
12 tion of the amount otherwise payable to the State under
13 paragraph (1)(A) of this subsection for a fiscal year for the
14 failure of the State to comply during such fiscal year with
15 section 454(24)(A) or with any other provision of this part
16 that imposes a requirement with respect to the establish-
17 ment or operation of an automated data processing and in-
18 formation retrieval system.

19 “(B) In this paragraph:

20 “(i) The term ‘penalty amount’ means, with re-
21 spect to a failure of a State to comply with section
22 454(24)—

23 “(I) 4 percent of the penalty base, in the
24 case of the 1st fiscal year in which such a failure
25 by the State occurs;

1 “(II) 8 percent of the penalty base, in the
2 case of the 2nd such fiscal year;

3 “(III) 16 percent of the penalty base, in the
4 case of the 3rd such fiscal year; or

5 “(IV) 30 percent of the penalty base, in the
6 case of the 4th or any subsequent such fiscal
7 year.

8 “(ii) The term ‘penalty base’ means, with respect
9 to a failure of a State to comply with section 454(24)
10 during a fiscal year, the amount otherwise payable to
11 the State under paragraph (1)(A) of this subsection
12 for the preceding fiscal year.

13 “(C)(i) The Secretary shall waive a penalty under this
14 paragraph for any failure of a State to comply with section
15 454(24)(A) during a fiscal year if—

16 “(I) at any time during the fiscal year, the State
17 has submitted to the Secretary a request that the Sec-
18 retary certify the State as having met the require-
19 ments of such section;

20 “(II) the Secretary subsequently provides the cer-
21 tification (regardless of whether the certification is
22 provided in that fiscal year) as a result of a timely
23 review conducted pursuant to the request; and

24 “(III) the State has not failed such a review.

1 “(ii) With respect to only the 1st or 2nd fiscal years
2 in which a reduction is imposed under this paragraph for
3 the failure of a State to comply with section 454(24)(A),
4 if the State achieves compliance with section 454(24)(A)
5 during the 2nd fiscal year, in the case of a reduction im-
6 posed for 1 fiscal year, or during the 3rd fiscal year, in
7 the case of a reduction imposed for 2 consecutive fiscal
8 years, the Secretary shall increase the amount otherwise
9 payable to the State under paragraph (1)(A) of this sub-
10 section for such 2nd or 3rd fiscal year, as the case may
11 be, by an amount equal to 20 percent of the reduction im-
12 posed for the immediately preceding fiscal year.

13 “(iii) The Secretary shall reduce the amount of any
14 reduction that, in the absence of this clause, would be re-
15 quired to be made under this paragraph by reason of the
16 failure of a State to achieve compliance with section
17 454(24)(B) during the fiscal year, by an amount equal to
18 20 percent of the amount of the otherwise required reduc-
19 tion, for each State performance measure described in sec-
20 tion 458A(b)(4) with respect to which the applicable per-
21 centage under section 458A(b)(6) for the fiscal year is 100
22 percent, if the Secretary has made the determination de-
23 scribed in section 458A(b)(5)(B) with respect to the State
24 for the fiscal year.

1 “(D) *The preceding provisions of this paragraph (ex-*
 2 *cept for subparagraph (C)(i)) shall apply, separately and*
 3 *independently, to a failure to comply with section*
 4 *454(24)(B) in the same manner in which the preceding pro-*
 5 *visions apply to a failure to comply with section*
 6 *454(24)(A).”.*

7 (b) *INAPPLICABILITY OF PENALTY UNDER TANF PRO-*
 8 *GRAM.—Section 409(a)(8)(A)(i)(III) of such Act (42 U.S.C.*
 9 *609(a)(8)(A)(i)(III)) is amended by inserting “(other than*
 10 *section 454(24))” before the semicolon.*

11 **SEC. 102. AUTHORITY TO WAIVE SINGLE STATEWIDE AUTO-**
 12 **MATED DATA PROCESSING AND INFORMA-**
 13 **TION RETRIEVAL SYSTEM REQUIREMENT.**

14 (a) *IN GENERAL.—Section 452(d)(3) of the Social Se-*
 15 *curity Act (42 U.S.C. 652(d)(3)) is amended to read as fol-*
 16 *lows:*

17 “(3) *The Secretary may waive any requirement of*
 18 *paragraph (1) or any condition specified under section*
 19 *454(16), and shall waive the single statewide system re-*
 20 *quirement under sections 454(16) and 454A, with respect*
 21 *to a State if—*

22 “(A) *the State demonstrates to the satisfaction of*
 23 *the Secretary that the State has or can develop an al-*
 24 *ternative system or systems that enable the State—*

1 “(i) for purposes of section 409(a)(8), to
2 achieve the paternity establishment percentages
3 (as defined in section 452(g)(2)) and other per-
4 formance measures that may be established by
5 the Secretary;

6 “(ii) to submit data under section
7 454(15)(B) that is complete and reliable;

8 “(iii) to substantially comply with the re-
9 quirements of this part; and

10 “(iv) in the case of a request to waive the
11 single statewide system requirement, to—

12 “(I) meet all functional requirements
13 of sections 454(16) and 454A;

14 “(II) ensure that calculation of dis-
15 tributions meets the requirements of section
16 457 and accounts for distributions to chil-
17 dren in different families or in different
18 States or sub-State jurisdictions, and for
19 distributions to other States;

20 “(III) ensure that there is only 1 point
21 of contact in the State which provides seam-
22 less case processing for all interstate case
23 processing and coordinated, automated
24 intrastate case management;

1 “(IV) ensure that standardized data
2 elements, forms, and definitions are used
3 throughout the State;

4 “(V) complete the alternative system in
5 no more time than it would take to complete
6 a single statewide system that meets such
7 requirement; and

8 “(VI) process child support cases as
9 quickly, efficiently, and effectively as such
10 cases would be processed through a single
11 statewide system that meets such require-
12 ment;

13 “(B)(i) the waiver meets the criteria of para-
14 graphs (1), (2), and (3) of section 1115(c); or

15 “(ii) the State provides assurances to the Sec-
16 retary that steps will be taken to otherwise improve
17 the State’s child support enforcement program; and

18 “(C) in the case of a request to waive the single
19 statewide system requirement, the State has submitted
20 to the Secretary separate estimates of the total cost of
21 a single statewide system that meets such require-
22 ment, and of any such alternative system or systems,
23 which shall include estimates of the cost of developing
24 and completing the system and of operating and

1 *maintaining the system for 5 years, and the Secretary*
 2 *has agreed with the estimates.”.*

3 *(b) PAYMENTS TO STATES.—Section 455(a)(1) of such*
 4 *Act (42 U.S.C. 655(a)(1)) is amended—*

5 *(1) by striking “and” at the end of subpara-*
 6 *graph (B);*

7 *(2) by striking the semicolon at the end of sub-*
 8 *paragraph (C) and inserting “, and”; and*

9 *(3) by inserting after subparagraph (C) the fol-*
 10 *lowing:*

11 *“(D) equal to 66 percent of the sums expended*
 12 *by the State during the quarter for an alternative*
 13 *statewide system for which a waiver has been granted*
 14 *under section 452(d)(3), but only to the extent that*
 15 *the total of the sums so expended by the State on or*
 16 *after the date of the enactment of this subparagraph*
 17 *does not exceed the least total cost estimate submitted*
 18 *by the State pursuant to section 452(d)(3)(C) in the*
 19 *request for the waiver;”.*

20 ***TITLE II—CHILD SUPPORT***
 21 ***INCENTIVE SYSTEM***

22 ***SEC. 201. INCENTIVE PAYMENTS TO STATES.***

23 *(a) IN GENERAL.—Part D of title IV of the Social Se-*
 24 *curity Act (42 U.S.C. 651–669) is amended by inserting*
 25 *after section 458 the following:*

1 **“SEC. 458A. INCENTIVE PAYMENTS TO STATES.**

2 “(a) *IN GENERAL.*—*In addition to any other payment*
 3 *under this part, the Secretary shall, subject to subsection*
 4 *(f), make an incentive payment to each State for each fiscal*
 5 *year in an amount determined under subsection (b).*

6 “(b) *AMOUNT OF INCENTIVE PAYMENT.*—

7 “(1) *IN GENERAL.*—*The incentive payment for a*
 8 *State for a fiscal year is equal to the incentive pay-*
 9 *ment pool for the fiscal year, multiplied by the State*
 10 *incentive payment share for the fiscal year.*

11 “(2) *INCENTIVE PAYMENT POOL.*—

12 “(A) *IN GENERAL.*—*In paragraph (1), the*
 13 *term ‘incentive payment pool’ means—*

14 “(i) \$422,000,000 for fiscal year 2000;

15 “(ii) \$429,000,000 for fiscal year 2001;

16 “(iii) \$450,000,000 for fiscal year
 17 2002;

18 “(iv) \$461,000,000 for fiscal year 2003;

19 “(v) \$454,000,000 for fiscal year 2004;

20 “(vi) \$446,000,000 for fiscal year 2005;

21 “(vii) \$458,000,000 for fiscal year
 22 2006;

23 “(viii) \$471,000,000 for fiscal year
 24 2007;

25 “(ix) \$483,000,000 for fiscal year
 26 2008; and

1 “(x) for any succeeding fiscal year, the
 2 amount of the incentive payment pool for
 3 the fiscal year that precedes such succeeding
 4 fiscal year, multiplied by the percentage (if
 5 any) by which the CPI for such preceding
 6 fiscal year exceeds the CPI for the 2nd pre-
 7 ceding fiscal year.

8 “(B) CPI.—For purposes of subparagraph
 9 (A), the CPI for a fiscal year is the average of
 10 the Consumer Price Index for the 12-month pe-
 11 riod ending on September 30 of the fiscal year.
 12 As used in the preceding sentence, the term ‘Con-
 13 sumer Price Index’ means the last Consumer
 14 Price Index for all-urban consumers published by
 15 the Department of Labor.

16 “(3) STATE INCENTIVE PAYMENT SHARE.—In
 17 paragraph (1), the term ‘State incentive payment
 18 share’ means, with respect to a fiscal year—

19 “(A) the incentive base amount for the State
 20 for the fiscal year; divided by

21 “(B) the sum of the incentive base amounts
 22 for all of the States for the fiscal year.

23 “(4) INCENTIVE BASE AMOUNT.—In paragraph
 24 (3), the term ‘incentive base amount’ means, with re-
 25 spect to a State and a fiscal year, the sum of the ap-

1 ~~plicable percentages (determined in accordance with~~
 2 ~~paragraph (6)) multiplied by the corresponding maxi-~~
 3 ~~mum incentive base amounts for the State for the fis-~~
 4 ~~cal year, with respect to each of the following meas-~~
 5 ~~ures of State performance for the fiscal year:~~

6 “(A) ~~The paternity establishment perform-~~
 7 ~~ance level.~~

8 “(B) ~~The support order performance level.~~

9 “(C) ~~The current payment performance~~
 10 ~~level.~~

11 “(D) ~~The arrearage payment performance~~
 12 ~~level.~~

13 “(E) ~~The cost-effectiveness performance~~
 14 ~~level.~~

15 “(5) ~~MAXIMUM INCENTIVE BASE AMOUNT.—~~

16 “(A) ~~IN GENERAL.—For purposes of para-~~
 17 ~~graph (4), the maximum incentive base amount~~
 18 ~~for a State for a fiscal year is—~~

19 “(i) ~~with respect to the performance~~
 20 ~~measures described in subparagraphs (A),~~
 21 ~~(B), and (C) of paragraph (4), the State~~
 22 ~~collections base for the fiscal year; and~~

23 “(ii) ~~with respect to the performance~~
 24 ~~measures described in subparagraphs (D)~~

1 and (E) of paragraph (4), 75 percent of the
2 State collections base for the fiscal year.

3 “(B) DATA REQUIRED TO BE COMPLETE
4 AND RELIABLE.—Notwithstanding subparagraph
5 (A), the maximum incentive base amount for a
6 State for a fiscal year with respect to a perform-
7 ance measure described in paragraph (4) is zero,
8 unless the Secretary determines, on the basis of
9 an audit performed under section
10 452(a)(4)(C)(i), that the data which the State
11 submitted pursuant to section 454(15)(B) for the
12 fiscal year and which is used to determine the
13 performance level involved is complete and reli-
14 able.

15 “(C) STATE COLLECTIONS BASE.—For pur-
16 poses of subparagraph (A), the State collections
17 base for a fiscal year is equal to the sum of—

18 “(i) 2 times the sum of—

19 “(I) the total amount of support
20 collected during the fiscal year under
21 the State plan approved under this
22 part in cases in which the support ob-
23 ligation involved is required to be as-
24 signed to the State pursuant to part A
25 or E of this title or title XIX; and

1 “(II) the total amount of support
 2 collected during the fiscal year under
 3 the State plan approved under this
 4 part in cases in which the support ob-
 5 ligation involved was so assigned but,
 6 at the time of collection, is not required
 7 to be so assigned; and

8 “(ii) the total amount of support col-
 9 lected during the fiscal year under the State
 10 plan approved under this part in all other
 11 cases.

12 “(6) DETERMINATION OF APPLICABLE PERCENT-
 13 AGES BASED ON PERFORMANCE LEVELS.—

14 “(A) PATERNITY ESTABLISHMENT.—

15 “(i) DETERMINATION OF PATERNITY
 16 ESTABLISHMENT PERFORMANCE LEVEL.—
 17 The paternity establishment performance
 18 level for a State for a fiscal year is, at the
 19 option of the State, the IV-D paternity es-
 20 tablishment percentage determined under
 21 section 452(g)(2)(A) or the statewide pater-
 22 nity establishment percentage determined
 23 under section 452(g)(2)(B).

24 “(ii) DETERMINATION OF APPLICABLE
 25 PERCENTAGE.—The applicable percentage

1 *with respect to a State's paternity establish-*
 2 *ment performance level is as follows:*

<i>"If the paternity establishment performance level is:</i>		<i>The applicable percentage is:</i>
<i>At least:</i>	<i>But less than:</i>	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

3 *Notwithstanding the preceding sentence, if*
 4 *the paternity establishment performance*
 5 *level of a State for a fiscal year is less than*
 6 *50 percent but exceeds by at least 10 per-*
 7 *centage points the paternity establishment*
 8 *performance level of the State for the imme-*

diately preceding fiscal year, then the applicable percentage with respect to the State's paternity establishment performance level is 50 percent.

“(B) *ESTABLISHMENT OF CHILD SUPPORT ORDERS.*—

“(i) *DETERMINATION OF SUPPORT ORDER PERFORMANCE LEVEL.*—The support order performance level for a State for a fiscal year is the percentage of the total number of cases under the State plan approved under this part in which there is a support order during the fiscal year.

“(ii) *DETERMINATION OF APPLICABLE PERCENTAGE.*—The applicable percentage with respect to a State's support order performance level is as follows:

<i>“If the support order performance level is:</i>		<i>The applicable percentage is:</i>
<i>At least:</i>	<i>But less than:</i>	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77

<i>“If the support order performance level is:</i>		<i>The applicable percentage is:</i>
<i>At least:</i>	<i>But less than:</i>	
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
0%	50%	0.

1 *Notwithstanding the preceding sentence, if*
2 *the support order performance level of a*
3 *State for a fiscal year is less than 50 per-*
4 *cent but exceeds by at least 5 percentage*
5 *points the support order performance level*
6 *of the State for the immediately preceding*
7 *fiscal year, then the applicable percentage*
8 *with respect to the State’s support order*
9 *performance level is 50 percent.*

10 *“(C) COLLECTIONS ON CURRENT CHILD*
11 *SUPPORT DUE.—*

12 *“(i) DETERMINATION OF CURRENT*
13 *PAYMENT PERFORMANCE LEVEL.—The cur-*
14 *rent payment performance level for a State*
15 *for a fiscal year is equal to the total*

amount of current support collected during the fiscal year under the State plan approved under this part divided by the total amount of current support owed during the fiscal year in all cases under the State plan, expressed as a percentage.

“(ii) *DETERMINATION OF APPLICABLE PERCENTAGE.*—The applicable percentage with respect to a State’s current payment performance level is as follows:

“If the current payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62

<i>“If the current payment performance level is:</i>		<i>The applicable percentage is:</i>
<i>At least:</i>	<i>But less than:</i>	
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

Notwithstanding the preceding sentence, if the current payment performance level of a State for a fiscal year is less than 40 percent but exceeds by at least 5 percentage points the current payment performance level of the State for the immediately preceding fiscal year, then the applicable percentage with respect to the State’s current payment performance level is 50 percent.

“(D) COLLECTIONS ON CHILD SUPPORT ARREARAGES.—

“(i) DETERMINATION OF ARREARAGE PAYMENT PERFORMANCE LEVEL.—The arrearage payment performance level for a State for a fiscal year is equal to the total number of cases under the State plan approved under this part in which payments

of past-due child support were received during the fiscal year and part or all of the payments were distributed to the family to whom the past-due child support was owed (or, if all past-due child support owed to the family was, at the time of receipt, subject to an assignment to the State, part or all of the payments were retained by the State) divided by the total number of cases under the State plan in which there is past-due child support, expressed as a percentage.

“(ii) *DETERMINATION OF APPLICABLE PERCENTAGE.*—The applicable percentage with respect to a State’s arrearage payment performance level is as follows:

“If the arrearage payment performance level is:		The applicable percentage is:
At least:	But less than:	
80% .....	.....	100
79%	80%	98
78%	79%	96
77%	78%	94
76%	77%	92
75%	76%	90
74%	75%	88
73%	74%	86
72%	73%	84
71%	72%	82
70%	71%	80
69%	70%	79
68%	69%	78
67%	68%	77
66%	67%	76
65%	66%	75
64%	65%	74
63%	64%	73

<i>“If the arrearage payment performance level is:</i>		<i>The applicable percentage is:</i>
<i>At least:</i>	<i>But less than:</i>	
62%	63%	72
61%	62%	71
60%	61%	70
59%	60%	69
58%	59%	68
57%	58%	67
56%	57%	66
55%	56%	65
54%	55%	64
53%	54%	63
52%	53%	62
51%	52%	61
50%	51%	60
49%	50%	59
48%	49%	58
47%	48%	57
46%	47%	56
45%	46%	55
44%	45%	54
43%	44%	53
42%	43%	52
41%	42%	51
40%	41%	50
0%	40%	0.

1 *Notwithstanding the preceding sentence, if*
2 *the arrearage payment performance level of*
3 *a State for a fiscal year is less than 40 per-*
4 *cent but exceeds by at least 5 percentage*
5 *points the arrearage payment performance*
6 *level of the State for the immediately pre-*
7 *ceding fiscal year, then the applicable per-*
8 *centage with respect to the State’s arrearage*
9 *payment performance level is 50 percent.*

10 *“(E) COST-EFFECTIVENESS.—*

11 *“(i) DETERMINATION OF COST-EFFEC-*
12 *TIVENESS PERFORMANCE LEVEL.—The cost-*

effectiveness performance level for a State for a fiscal year is equal to the total amount collected during the fiscal year under the State plan approved under this part divided by the total amount expended during the fiscal year under the State plan, expressed as a ratio.

“(ii) *DETERMINATION OF APPLICABLE PERCENTAGE.*—The applicable percentage with respect to a State’s cost-effectiveness performance level is as follows:

“If the cost-effectiveness performance level is:		The applicable percentage is:
At least:	But less than:	
5.00 .....	.....	100
4.50	4.99	90
4.00	4.50	80
3.50	4.00	70
3.00	3.50	60
2.50	3.00	50
2.00	2.50	40
0.00	2.00	0.

“(c) *TREATMENT OF INTERSTATE COLLECTIONS.*—In computing incentive payments under this section, support which is collected by a State at the request of another State shall be treated as having been collected in full by both States, and any amounts expended by a State in carrying out a special project assisted under section 455(e) shall be excluded.

1 “(d) *ADMINISTRATIVE PROVISIONS.*—The amounts of
2 the incentive payments to be made to the States under this
3 section for a fiscal year shall be estimated by the Secretary
4 at or before the beginning of the fiscal year on the basis
5 of the best information available. The Secretary shall make
6 the payments for the fiscal year, on a quarterly basis (with
7 each quarterly payment being made no later than the begin-
8 ning of the quarter involved), in the amounts so estimated,
9 reduced or increased to the extent of any overpayments or
10 underpayments which the Secretary determines were made
11 under this section to the States involved for prior periods
12 and with respect to which adjustment has not already been
13 made under this subsection. Upon the making of any esti-
14 mate by the Secretary under the preceding sentence, any
15 appropriations available for payments under this section
16 are deemed obligated.

17 “(e) *REGULATIONS.*—The Secretary shall prescribe
18 such regulations as may be necessary governing the calcula-
19 tion of incentive payments under this section, including di-
20 rections for excluding from the calculations certain closed
21 cases and cases over which the States do not have jurisdic-
22 tion.

23 “(f) *REINVESTMENT.*—A State to which a payment is
24 made under this section shall expend the full amount of the

1 *payment to supplement, and not supplant, other funds used*
 2 *by the State—*

3 *“(1) to carry out the State plan approved under*
 4 *this part; or*

5 *“(2) for any activity (including cost-effective*
 6 *contracts with local agencies) approved by the Sec-*
 7 *retary, whether or not the expenditures for the activ-*
 8 *ity are eligible for reimbursement under this part,*
 9 *which may contribute to improving the effectiveness*
 10 *or efficiency of the State program operated under this*
 11 *part.”.*

12 *(b) TRANSITION RULE.—Notwithstanding any other*
 13 *provision of law—*

14 *(1) for fiscal year 2000, the Secretary shall re-*
 15 *duce by $\frac{1}{3}$ the amount otherwise payable to a State*
 16 *under section 458 of the Social Security Act, and*
 17 *shall reduce by $\frac{2}{3}$ the amount otherwise payable to a*
 18 *State under section 458A of such Act; and*

19 *(2) for fiscal year 2001, the Secretary shall re-*
 20 *duce by $\frac{2}{3}$ the amount otherwise payable to a State*
 21 *under section 458 of the Social Security Act, and*
 22 *shall reduce by $\frac{1}{3}$ the amount otherwise payable to a*
 23 *State under section 458A of such Act.*

24 *(c) REGULATIONS.—Within 9 months after the date of*
 25 *the enactment of this section, the Secretary of Health and*

1 *Human Services shall prescribe regulations governing the*
2 *implementation of section 458A of the Social Security Act*
3 *when such section takes effect and the implementation of*
4 *subsection (b) of this section.*

5 *(d) STUDIES.—*

6 *(1) GENERAL REVIEW OF NEW INCENTIVE PAY-*
7 *MENT SYSTEM.—*

8 *(A) IN GENERAL.—The Secretary of Health*
9 *and Human Services shall conduct a study of the*
10 *implementation of the incentive payment system*
11 *established by section 458A of the Social Secu-*
12 *rity Act, in order to identify the problems and*
13 *successes of the system.*

14 *(B) REPORTS TO THE CONGRESS.—*

15 *(i) REPORT ON VARIATIONS IN STATE*
16 *PERFORMANCE ATTRIBUTABLE TO DEMO-*
17 *GRAPHIC VARIABLES.—Not later than Octo-*
18 *ber 1, 2000, the Secretary shall submit to*
19 *the Congress a report that identifies any de-*
20 *mographic or economic variables that ac-*
21 *count for differences in the performance lev-*
22 *els achieved by the States with respect to the*
23 *performance measures used in the system,*
24 *and contains the recommendations of the*
25 *Secretary for such adjustments to the system*

1 *as may be necessary to ensure that the rel-*
2 *ative performance of States is measured*
3 *from a baseline that takes account of any*
4 *such variables.*

5 (ii) *INTERIM REPORT.*—*Not later than*
6 *March 1, 2001, the Secretary shall submit*
7 *to the Congress an interim report that con-*
8 *tains the findings of the study required by*
9 *subparagraph (A).*

10 (iii) *FINAL REPORT.*—*Not later than*
11 *October 1, 2003, the Secretary shall submit*
12 *to the Congress a final report that contains*
13 *the final findings of the study required by*
14 *subparagraph (A). The report shall include*
15 *any recommendations for changes in the*
16 *system that the Secretary determines would*
17 *improve the operation of the child support*
18 *enforcement program.*

19 (2) *DEVELOPMENT OF MEDICAL SUPPORT INCEN-*
20 *TIVE.*—

21 (A) *IN GENERAL.*—*The Secretary of Health*
22 *and Human Services, in consultation with State*
23 *directors of programs operated under part D of*
24 *title IV of the Social Security Act and represent-*
25 *atives of children potentially eligible for medical*

support, shall develop a performance measure based on the effectiveness of States in establishing and enforcing medical support obligations, and shall make recommendations for the incorporation of the measure, in a revenue neutral manner, into the incentive payment system established by section 458A of the Social Security Act.

(B) *REPORT*.—Not later than October 1, 1999, the Secretary shall submit to the Congress a report that describes the performance measure and contains the recommendations required by subparagraph (A).

(e) *TECHNICAL AMENDMENTS*.—

(1) *IN GENERAL*.—Section 341 of the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (42 U.S.C. 658 note) is amended—

(A) by striking subsection (a) and redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and

(B) in subsection (c) (as so redesignated)—

(i) by striking paragraph (1) and inserting the following:

“(1) *CONFORMING AMENDMENTS TO PRESENT SYSTEM*.—The amendments made by subsection (a) of this section shall become effective with respect to a

1 *State as of the date the amendments made by section*
 2 *103(a) (without regard to section 116(a)(2)) first*
 3 *apply to the State.”; and*

4 *(ii) in paragraph (2), by striking “(c)”*
 5 *and inserting “(b)”.*

6 (2) *EFFECTIVE DATE.*—*The amendments made*
 7 *by this subsection shall take effect as if included in*
 8 *the enactment of section 341 of the Personal Respon-*
 9 *sibility and Work Opportunity Reconciliation Act of*
 10 *1996.*

11 (f) *ELIMINATION OF PREDECESSOR INCENTIVE PAY-*
 12 *MENT SYSTEM.*—

13 (1) *REPEAL.*—*Section 458 of the Social Security*
 14 *Act (42 U.S.C. 658) is repealed.*

15 (2) *CONFORMING AMENDMENTS.*—

16 (A) *Section 458A of the Social Security Act,*
 17 *as added by section 201(a) of this Act, is redesign-*
 18 *ated as section 458.*

19 (B) *Section 455(a)(4)(C)(iii) of such Act*
 20 *(42 U.S.C. 655(a)(4)(C)(iii)), as added by sec-*
 21 *tion 101(a) of this Act, is amended—*

22 (i) *by striking “458A(b)(4)” and in-*
 23 *serting “458(b)(4)”;*

24 (ii) *by striking “458A(b)(6)” and in-*
 25 *serting “458(b)(6)”;* *and*

1 (iii) by striking “458A(b)(5)(B)” and
 2 inserting “458(b)(5)(B)”.

3 (C) Subsection (d)(1) of this section is
 4 amended by striking “458A” and inserting
 5 “458”.

6 (3) *EFFECTIVE DATE.*—The amendments made
 7 by this subsection shall take effect on October 1, 2001.

8 (g) *GENERAL EFFECTIVE DATE.*—Except as otherwise
 9 provided in this section, the amendments made by this sec-
 10 tion shall take effect on October 1, 1999.

11 ***TITLE III—ADOPTION*** 12 ***PROVISIONS***

13 ***SEC. 301. MORE FLEXIBLE PENALTY PROCEDURE TO BE AP-*** 14 ***PLIED FOR FAILING TO PERMIT INTERJURIS-*** 15 ***DICTIONAL ADOPTION.***

16 (a) *CONVERSION OF FUNDING BAN INTO STATE PLAN*
 17 *REQUIREMENT.*—Section 471(a) of the Social Security Act
 18 (42 U.S.C. 671(a)) is amended—

19 (1) by striking “and” at the end of paragraph
 20 (21);

21 (2) by striking the period at the end of para-
 22 graph (22) and inserting “; and”; and

23 (3) by adding at the end the following:

24 “(23) provides that the State shall not—

1 “(A) deny or delay the placement of a child
2 for adoption when an approved family is avail-
3 able outside of the jurisdiction with responsibil-
4 ity for handling the case of the child; or

5 “(B) fail to grant an opportunity for a fair
6 hearing, as described in paragraph (12), to an
7 individual whose allegation of a violation of sub-
8 paragraph (A) of this paragraph is denied by the
9 State or not acted upon by the State with rea-
10 sonable promptness.”.

11 (b) *PENALTY FOR NONCOMPLIANCE.*—Section 474(d)
12 of such Act (42 U.S.C. 674(d)) is amended in each of para-
13 graphs (1) and (2) by striking “section 471(a)(18)” and
14 inserting “paragraph (18) or (23) of section 471(a)”.

15 (c) *CONFORMING AMENDMENT.*—Section 474 of such
16 Act (42 U.S.C. 674) is amended by striking subsection (e).

17 (d) *RETROACTIVITY.*—The amendments made by this
18 section shall take effect as if included in the enactment of
19 section 202 of the Adoption and Safe Families Act of 1997
20 (Public Law 105–89; 111 Stat. 2125).

TITLE IV—MISCELLANEOUS

SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE ESTABLISHMENT AND ENFORCEMENT OF MEDICAL CHILD SUPPORT.

(a) *PROMULGATION OF NATIONAL STANDARDIZED
MEDICAL SUPPORT NOTICE.*—Section 452(a) of the Social
Security Act (42 U.S.C. 652(a)) is amended—

(1) in paragraph (10), by striking “and” at the
end;

(2) in paragraph (11), by striking the period
and inserting “; and”; and

(3) by adding at the end the following:

“(12)(A) develop jointly with the Secretary of
Labor—

“(i) a National Standardized Medical Sup-
port Notice that satisfies the requirements of sec-
tion 609(a)(3) of the Employee Retirement In-
come Security Act of 1974 (29 U.S.C.
1169(a)(3)) and the requirements of this part
and shall be used by States to enforce medical
support orders; and

“(ii) appropriate procedures for the trans-
mission of such Notice to employers by State
agencies administering the program established
under this part;

1 “(B) not later than 90 days after the date of en-
2 actment of this paragraph, establish with the Sec-
3 retary of Labor, a medical support working group,
4 not to exceed 20 individuals, that shall—

5 “(i) identify the impediments to the effective
6 enforcement of medical support by State agencies
7 administering the program established under this
8 part; and

9 “(ii) be composed of representatives of—

10 “(I) the Department of Labor;

11 “(II) the Department of Health and
12 Human Services;

13 “(III) State directors of programs
14 under this part;

15 “(IV) State directors of the medicaid
16 program under title XIX;

17 “(V) employers, including owners of
18 small businesses;

19 “(VI) plan administrators and plan
20 sponsors of group health plans (as defined
21 in section 607(1) of the Employee Retire-
22 ment Income Security Act of 1974 (29
23 U.S.C. 1167(1));

1 “(VII) children potentially eligible for
2 medical support, such as child advocacy or-
3 ganizations; and

4 “(VIII) State public welfare programs;

5 “(C) require the working group established in ac-
6 cordance with subparagraph (B) to, not later than 18
7 months after the date of enactment of this paragraph,
8 submit to the Secretary and Congress a report con-
9 taining recommendations for appropriate measures to
10 address the impediments to the effective enforcement
11 of medical support by State agencies administering
12 the program established under this part identified by
13 the working group, including—

14 “(i) appropriate measures that establish the
15 priority of withholding of child support obliga-
16 tions, medical support obligations, arrearages in
17 such obligations, and, in the case of a medical
18 support obligation, the employee’s portion of any
19 health care coverage premium, by the State agen-
20 cy administering the program established under
21 this part in light of the restrictions on garnish-
22 ment provided under title III of the Consumer
23 Credit Protection Act (15 U.S.C. 1671–1677);

24 “(ii) appropriate procedures for coordinat-
25 ing the provision, enforcement, and transition of

1 *health care coverage under the State programs*
2 *established under this part, title XIX, and title*
3 *XXI;*

4 “(iii) appropriate measures to improve the
5 *enforcement of alternate types of medical support*
6 *that are aside from health coverage offered*
7 *through the noncustodial parent’s health plan*
8 *and unrelated to the noncustodial parent’s em-*
9 *ployer, including measures that establish a non-*
10 *custodial parent’s responsibility to share the cost*
11 *of a copayment, deductible, or a payment for*
12 *services not covered under a child’s existing*
13 *health coverage; and*

14 “(iv) appropriate measures for eliminating
15 *any other impediments to the effective enforce-*
16 *ment of medical support orders that the working*
17 *group deems necessary; and*

18 “(D) issue, under the authority of the Sec-
19 *retary—*

20 “(i) not later than 180 days after the date
21 *of enactment of this paragraph, a proposed regu-*
22 *lation that specifies that the National Standard-*
23 *ized Medical Support Notice shall be used by*
24 *State agencies administering the program under*
25 *this part to enforce medical support orders, and*

1 that includes such procedures for transmission of
 2 the Notice to employers that the Secretary deter-
 3 mines are appropriate; and

4 “(ii) not later than 1 year after the date of
 5 enactment of this paragraph, a final regulation
 6 that specifies that the National Standardized
 7 Medical Support Notice shall be used by State
 8 agencies administering the program under this
 9 part to enforce medical support orders and the
 10 procedures for the transmission of that Notice to
 11 employers.”.

12 (b) *REQUIRED USE OF NOTICE BY STATES.*—

13 (1) *STATE PROCEDURES.*—Section 466(a)(19) of
 14 the Social Security Act (42 U.S.C. 466(a)(19)) is
 15 amended to read as follows:

16 “(19) *HEALTH CARE COVERAGE.*—Procedures
 17 under which—

18 “(A) all child support orders enforced pur-
 19 suant to this part include a provision for the
 20 health care coverage of the child that, not later
 21 than October 1, 2000, is enforced, where appro-
 22 priate, through the use of the National Standard-
 23 ized Medical Support Notice promulgated pursu-
 24 ant to section 452(a)(12);

1 “(B) in any case in which a noncustodial
2 parent is required to provide such health care
3 coverage and the employer of such noncustodial
4 parent is known to the State agency, the State
5 agency shall use the National Standardized Med-
6 ical Support Notice to transfer notice of the pro-
7 vision for the health care coverage of the child to
8 the employer in conjunction, where appropriate,
9 with an income withholding notice within 2
10 days of the date that information regarding a
11 newly hired employee is entered in the State Di-
12 rectory of New Hires pursuant to section
13 453A(e), and to any subsequent employer if the
14 parent changes employment or obtains addi-
15 tional employment and the subsequent employer
16 of such noncustodial parent is known to the
17 State agency;

18 “(C) not later than 7 business days after the
19 date the National Standardized Medical Support
20 Notice is issued, the Notice shall operate to enroll
21 the child in the noncustodial parent’s employer’s
22 health plan, and to authorize the collection of
23 any employee contributions required for such en-
24 rollment, unless the noncustodial parent contests
25 enforcement of the health care coverage provision

1 of the child support order pursuant to the Notice
 2 to the State agency based on mistake of fact; and
 3 “(D) the employer shall, within 21 days
 4 after the date the Notice is issued, notify the
 5 State agency administering the program under
 6 this part whether such health care coverage is
 7 available and, if so, whether the child has been
 8 enrolled in such coverage and the effective date of
 9 the enrollment, and provide to the custodial par-
 10 ent any necessary documentation to provide the
 11 child with coverage.”.

12 (2) CONFORMING AMENDMENTS.—Section 452(f)
 13 of the Social Security Act (42 U.S.C. 652(f)) is
 14 amended in the first sentence—

15 (A) by striking “petition for the inclusion
 16 of” and inserting “include”; and

17 (B) by inserting “and enforce medical sup-
 18 port” before “whenever”.

19 (c) NATIONAL STANDARDIZED MEDICAL SUPPORT NO-
 20 TICE DEEMED A QUALIFIED MEDICAL CHILD SUPPORT
 21 ORDER.—

22 (1) AMENDMENT TO ERISA.—Section 609(a)(5)
 23 of the Employee Retirement Income Security Act of
 24 1974 (29 U.S.C. 1169(a)(5)) is amended by adding at
 25 the end the following:

1 “(C) *NATIONAL STANDARDIZED MEDICAL*
2 *SUPPORT NOTICE DEEMED TO BE A QUALIFIED*
3 *MEDICAL CHILD SUPPORT ORDER.*—*If a group*
4 *health plan administrator receives a completed*
5 *National Standardized Medical Support Notice*
6 *promulgated pursuant to section 452(a)(12) of*
7 *the Social Security Act (42 U.S.C. 652(a)(13)),*
8 *and the notice meets the requirements of para-*
9 *graphs (3) and (4), the notice shall, not later*
10 *than 7 business days after the date the National*
11 *Standardized Medical Support Notice is issued,*
12 *be deemed to be a qualified medical child support*
13 *order and the plan administrator shall comply*
14 *with the notice.”.*

15 (2) *RULE OF CONSTRUCTION.*—*The amendment*
16 *made by paragraph (1) shall not be construed as re-*
17 *quiring an employer to provide or expand any health*
18 *benefits coverage provided by the employer that the*
19 *employer is not, as of the date of enactment of this*
20 *section, required to provide, or to modify or change*
21 *the eligibility rules applicable to a group health plan*
22 *(as defined in section 607(1) of the Employee Retirement*
23 *Income Security Act of 1974 (29 U.S.C.*
24 *1167(1))).*

1 (d) *REPORT AND RECOMMENDATIONS REGARDING THE*
2 *ENFORCEMENT OF QUALIFIED MEDICAL SUPPORT ORDERS*
3 *UNDER ERISA.*—Not later than 1 year after the date of
4 enactment of this Act, the Secretary of Labor, in consulta-
5 tion with the Secretary of Health and Human Services,
6 shall submit to the Committee on Labor and Human Re-
7 sources and the Committee on Finance of the Senate, and
8 the Committee on Education and the Workforce and the
9 Committee on Ways and Means of the House of Representa-
10 tives, a report containing recommendations for appropriate
11 legislation to improve the effectiveness of, and enforcement
12 of, qualified medical child support orders under the provi-
13 sions of section 609 of the Employee Retirement Income Se-
14 curity Act of 1974 (29 U.S.C. 1169).

15 **SEC. 402. SAFEGUARD OF NEW EMPLOYEE INFORMATION.**

16 (a) *PENALTY FOR UNAUTHORIZED ACCESS, DISCLO-*
17 *SURE, OR USE OF INFORMATION.*—Section 453(l) of the So-
18 cial Security Act (42 U.S.C. 653(l)) is amended—

19 (1) by striking “Information” and inserting the
20 following:

21 “(1) *IN GENERAL.*—Information”; and

22 (2) by adding at the end the following:

23 “(2) *PENALTY FOR MISUSE OF INFORMATION IN*
24 *THE NATIONAL DIRECTORY OF NEW HIRES.*—The Sec-
25 retary shall require the imposition of an administra-

1 *tive penalty (up to and including dismissal from em-*
 2 *ployment), and a fine of \$1,000, for each act of unau-*
 3 *thorized access to, disclosure of, or use of, information*
 4 *in the National Directory of New Hires established*
 5 *under subsection (i) by any officer or employee of the*
 6 *United States who knowingly and willfully violates*
 7 *this paragraph.”.*

8 *(b) LIMITS ON RETENTION OF DATA IN THE NATIONAL*
 9 *DIRECTORY OF NEW HIRES.—Section 453(i)(2) of the So-*
 10 *cial Security Act (42 U.S.C. 653(i)(2)) is amended to read*
 11 *as follows:*

12 *“(2) DATA ENTRY AND DELETION REQUIRE-*
 13 *MENTS.—Information shall be—*

14 *“(A) entered into the data base maintained*
 15 *by the National Directory of New Hires within*
 16 *2 business days of receipt pursuant to section*
 17 *453A(g)(2);*

18 *“(B) in the case of an individual for whom*
 19 *an information comparison under subsection (j)*
 20 *does not reveal a match, deleted from such data*
 21 *base 12 months after the date of entry; and*

22 *“(C) in the case of an individual for whom*
 23 *an information comparison under subsection (j)*
 24 *does reveal a match, deleted from such data base*
 25 *24 months after the date of entry.”.*

1 (c) *EFFECTIVE DATE.*—*The amendments made by sub-*
 2 *sections (a) and (b) shall take effect on January 1, 1999.*

3 **SEC. 403. CONFORMING AMENDMENTS REGARDING THE**
 4 **COLLECTION AND USE OF SOCIAL SECURITY**
 5 **NUMBERS FOR PURPOSES OF CHILD SUP-**
 6 **PORT ENFORCEMENT.**

7 (a) *CONFORMING AMENDMENTS.*—*Section*
 8 *205(c)(2)(C) of the Social Security Act (42 U.S.C.*
 9 *405(c)(2)(C)) is amended—*

10 (1) *in clause (i), by striking “may require” and*
 11 *inserting “shall require”;*

12 (2) *in clause (ii)—*

13 (A) *by inserting after the 1st sentence the*
 14 *following: “In the administration of any law in-*
 15 *volving the issuance of a marriage certificate or*
 16 *license, each State shall require each individual*
 17 *named in the certificate or license to furnish to*
 18 *the State (or political subdivision thereof), or*
 19 *any State agency having administrative respon-*
 20 *sibility for the law involved, the social security*
 21 *number of the individual.”; and*

22 (B) *by inserting “or marriage certificate”*
 23 *after “Such numbers shall not be recorded on the*
 24 *birth certificate”;*

1 (3) in clause (vi), by striking “may” and insert-
2 ing “shall”; and

3 (4) by adding at the end the following:

4 “(x) An agency of a State (or a political subdivision
5 thereof) charged with the administration of any law con-
6 cerning the issuance or renewal of a professional license,
7 driver’s license, occupational license, or recreational license
8 shall require each applicant for issuance or renewal of the
9 license to provide the applicant’s social security number to
10 the agency for the purpose of administering such laws, and
11 for the purpose of responding to requests for information
12 from an agency operating pursuant to part D of title IV.
13 If a State allows the use of a number other than the social
14 security number to be used on the face of the document while
15 the social security number is kept on file at the agency,
16 the State shall so advise any applicants.

17 “(xi) All divorce decrees, support orders, and paternity
18 determinations issued, and all paternity acknowledgments
19 made, in each State shall include the social security number
20 of each individual subject to the decree, order, determina-
21 tion, or acknowledgment in the records relating to the mat-
22 ter, for the purpose of responding to requests for informa-
23 tion from an agency operating pursuant to part D of title
24 IV.”.

1 (b) *RETROACTIVITY.*—*The amendments made by sub-*
 2 *section (a) shall take effect as if included in the enactment*
 3 *of section 317 of the Personal Responsibility and Work Op-*
 4 *portunity Reconciliation Act of 1996 (Public Law 104–193;*
 5 *110 Stat.2220).*

6 **SEC. 404. ELIMINATION OF DEFINITION REGARDING HIGH-**
 7 **VOLUME AUTOMATED ADMINISTRATIVE EN-**
 8 **FORCEMENT OF CHILD SUPPORT.**

9 (a) *TECHNICAL AMENDMENT.*—*Section 466(a)(14) of*
 10 *the Social Security Act (42 U.S.C. 666(a)(14)) is amended*
 11 *to read as follows:*

12 “(14) *HIGH-VOLUME, AUTOMATED ADMINISTRA-*
 13 *TIVE ENFORCEMENT IN INTERSTATE CASES.*—*Proce-*
 14 *dures under which—*

15 “(A) *the State shall use high-volume auto-*
 16 *mated administrative enforcement, to the same*
 17 *extent as used for intrastate cases, in response to*
 18 *a request made by another State to enforce sup-*
 19 *port orders, and shall promptly report the results*
 20 *of such enforcement procedure to the requesting*
 21 *State;*

22 “(B) *the State may, by electronic or other*
 23 *means, transmit to another State a request for*
 24 *assistance in enforcing support orders through*

1 *high-volume, automated administrative enforce-*
2 *ment, which request—*

3 “(i) *shall include such information as*
4 *will enable the State to which the request is*
5 *transmitted to compare the information*
6 *about the cases to the information in the*
7 *data bases of the State; and*

8 “(ii) *shall constitute a certification by*
9 *the requesting State—*

10 “(I) *of the amount of support*
11 *under an order the payment of which*
12 *is in arrears; and*

13 “(II) *that the requesting State has*
14 *complied with all procedural due proc-*
15 *ess requirements applicable to each*
16 *case;*

17 “(C) *if the State provides assistance to an-*
18 *other State pursuant to this paragraph with re-*
19 *spect to a case, neither State shall consider the*
20 *case to be transferred to the caseload of such*
21 *other State; and*

22 “(D) *the State shall maintain records of—*

23 “(i) *the number of such requests for as-*
24 *sistance received by the State;*

1 “(ii) the number of cases for which the
2 State collected support in response to such
3 a request; and

4 “(iii) the amount of such collected sup-
5 port.”.

6 (b) *RETROACTIVITY.*—The amendment made by sub-
7 section (a) shall take effect as if included in the enactment
8 of section 5550 of the Balanced Budget Act of 1997 (Public
9 Law 105–33; 111 Stat. 633).

10 **SEC. 405. GENERAL ACCOUNTING OFFICE REPORTS.**

11 (a) *REPORT ON FEASIBILITY OF INSTANT CHECK SYS-*
12 *TEM.*—Not later than December 31, 1998, the Comptroller
13 General of the United States shall report to the Committee
14 on Finance of the Senate and the Committee on Ways and
15 Means of the House of Representatives on the feasibility and
16 cost of creating and maintaining a nationwide instant
17 child support order check system under which an employer
18 would be able to determine whether a newly hired employee
19 is required to provide support under a child support order.

20 (b) *REPORT ON IMPLEMENTATION AND USE OF CHILD*
21 *SUPPORT DATABASES.*—Not later than December 31, 1998,
22 the Comptroller General of the United States shall report
23 to the Committee on Finance of the Senate and the Commit-
24 tee on Ways and Means of the House of Representatives on
25 the implementation of the Federal Parent Locator Service

1 *(including the Federal Case Registry of Child Support Or-*
 2 *ders and the National Directory of New Hires) established*
 3 *under section 453 of the Social Security Act (42 U.S.C.*
 4 *653) and the State Directory of New Hires established*
 5 *under section 453A of such Act (42 U.S.C. 653a). The report*
 6 *shall include a detailed discussion of the purposes for which,*
 7 *and the manner in which, the information maintained in*
 8 *such databases has been used, and an examination as to*
 9 *whether such databases are subject to adequate safeguards*
 10 *to protect the privacy of the individuals with respect to*
 11 *whom information is reported and maintained.*

12 **SEC. 406. TECHNICAL CORRECTIONS.**

13 *(a) Section 413(g)(1) of the Social Security Act (42*
 14 *U.S.C. 613(g)(1)) is amended by striking “Economic and*
 15 *Educational Opportunities” and inserting “Education and*
 16 *the Workforce”.*

17 *(b) Section 422(b)(2) of the Social Security Act (42*
 18 *U.S.C. 622(b)(2)) is amended by striking “under under”*
 19 *and inserting “under”.*

20 *(c) Section 432(a)(8) of the Social Security Act (42*
 21 *U.S.C. 632(a)(8)) is amended by adding “; and” at the end.*

22 *(d) Section 453(a)(2) of the Social Security Act (42*
 23 *U.S.C. 653(a)(2)) is amended—*

24 *(1) by striking “parentage,” and inserting “par-*
 25 *entage or”;*

1 (2) *by striking “or making or enforcing child*
2 *custody or visitation orders,”; and*

3 (3) *in subparagraph (A), by decreasing the in-*
4 *dentation of clause (iv) by 2 ems.*

5 (e)(1) *Section 5557(b) of the Balanced Budget Act of*
6 *1997 (42 U.S.C. 608 note) is amended by adding at the*
7 *end the following: “The amendment made by section*
8 *5536(1)(A) shall not take effect with respect to a State until*
9 *October 1, 2000, or such earlier date as the State may se-*
10 *lect.”.*

11 (2) *The amendment made by paragraph (1) shall take*
12 *effect as if included in the enactment of section 5557 of the*
13 *Balanced Budget Act of 1997 (Public Law 105–33; 111*
14 *Stat. 637).*

15 (f) *Section 473A(c)(2)(B) of the Social Security Act*
16 *(42 U.S.C. 673b(c)(2)(B)) is amended—*

17 (1) *by striking “November 30, 1997” and insert-*
18 *ing “April 30, 1998”; and*

19 (2) *by striking “March 1, 1998” and inserting*
20 *“July 1, 1998”.*

21 (g) *Section 474(a) of the Social Security Act (42*
22 *U.S.C. 674(a)) is amended by striking “(subject to the limi-*
23 *tations imposed by subsection (b))”.*

24 (h) *Section 232 of the Social Security Act Amendments*
25 *of 1994 (42 U.S.C. 1314a) is amended—*

- 1 (1) in subsection (b)(3)(D), by striking “Energy
2 and”; and
3 (2) in subsection (d)(4), by striking “(b)(3)(C)”
4 and inserting “(b)(3)”.

Amend the title so as to read: “An Act to provide for an alternative penalty procedure for States that fail to meet Federal child support data processing requirements, to reform Federal incentive payments for effective child support performance, to provide for a more flexible penalty procedure for States that violate interjurisdictional adoption requirements, and for other purposes.”.

Attest:

Secretary.

105TH CONGRESS
2^D SESSION

H. R. 3130

AMENDMENTS